

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re	X	Chapter 11
	:	
	:	
Allegiance Telecom, Inc., <u>et al.</u> ,	:	Case No. 03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered
	X	

FINAL DECREE CLOSING THE DEBTORS' CHAPTER 11 CASES PURSUANT TO SECTION 350(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3022

Upon the Application, dated October 5, 2010 (the "Application"), by unopposed Notice of Presentment, for Final Decree Closing the Chapter 11 Cases of Allegiance Telecom, Inc., et al. (the "Debtors"), Pursuant to Section 350(a) of the Title 11 of the United States Code (the "Bankruptcy Code") and Rule 3022 of the Federal Rules of Bankruptcy Procedure the "Bankruptcy Rules"); and the Court having been satisfied that the Debtors have consummated their Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated June 8, 2004 (the "Plan"), and that their estates have been fully administered in that all transfers of property and all distributions required to be made have been made pursuant to the terms of the Plan; and the Court having been satisfied that the docket maintained in the Debtors' chapter 11 cases reflects the absence of any pending adversary proceedings or contested matters; and the Court having considered the record of the proceedings in the Debtors' chapter 11 cases; and good and sufficient notice of the relief requested in the Application having been given; and after due consideration and sufficient cause appearing therefor, it is

ORDERED that, pursuant to Bankruptcy Code section 350(a) and Bankruptcy Rule 3022, the Debtors' chapter 11 cases are hereby closed; *provided, however,* that the Court shall retain such jurisdiction as is provided for in Article XI of the Plan (Retention of Jurisdiction) over any matters that may arise in connection with the Plan or the Debtors' chapter 11 cases; and it is further

ORDERED that upon entry of this Order, and pursuant to the terms of the Plan and the ATLT Agreement (as defined in the Plan), the ATLT is hereby dissolved.

ORDERED that entry of this Final Decree is without prejudice to the rights of any party in interest to seek to reopen this case for good cause shown; and it is further

ORDERED that neither the Debtors nor the Allegiance Telecom Liquidating Trust (the "ATLT") as successor to the Debtors shall be obligated to pay quarterly fees (the "Quarterly Fees") to the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") for any period beyond the date of this Order, *provided however,* that the ATLT shall pay to the U.S. Trustee all outstanding Quarterly Fees within ten business days of the date of this Order.

Dated: White Plains, New York
October 26, 2010

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE